

Highclere Asset Management Ireland Designated Activity Company

Directors' Report and Financial Statements

For The Year Ended 31 December 2025

Highclere Asset Management Ireland Designated Activity Company

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Company information

Directors

Claire O'Donovan (resigned 09-04-2025)

Darragh Wynne

Robert Morgan (appointed 09-04-2025)

Company secretary

MFD Secretaries Limited

32 Molesworth Street

Dublin 2

Ireland

Registered number

738076

Registered office

32 Molesworth Street

Dublin 2

Ireland

Independent auditors

Deloitte Ireland LLP

Chartered Accountants and Statutory Audit Firm

29 Earlsfort Terrace

Dublin 2

Ireland

Bankers

Citibank Europe PLC

1 North Wall Quay

Dublin 1

Ireland

Highclere Asset Management Ireland Designated Activity Company

Directors' report for the year ended 31 December 2025

The Directors present their annual report and the audited financial statements for the year ended 31 December 2025.

Principal activities, business review and future developments

Highclere Asset Management Ireland Designated Activity Company (the "Company") is a wholly owned subsidiary of Drake Asset Management Jersey 3 Limited, a company incorporated in Jersey, Channel Islands. The Company's principal activity is that of a holding company.

During the year, the Company recognised dividend income of \$1,760,000 (2024: \$37,550,000) from its Subsidiaries.

The Directors are satisfied with the performance of the Company during the year. The Company intends to continue its existing activities during the coming year.

Principal risk and uncertainties

The Directors continue to monitor the key risks and uncertainties facing the Company, including:

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. It is Company policy to investigate the credit worthiness of all counterparties prior to entering any transactions and to regularly review the counterparty's ability to make payments.

Cash flow risk

Cash flow risk is defined as the risk of being unable to fulfil current or future payment obligations in full or at the due date. The cash position of the Company is constantly monitored and short, medium and long term cash flow forecasts are regularly reviewed and appropriate action taken, where necessary.

Foreign currency risk

Foreign currency risk is the potential change in income or the value of net worth arising from changes in currency exchange rates. The Company is incorporated in the Republic of Ireland. However, as sales are principally transacted in United States Dollars ("\$"), the functional and presentation currency is \$. Most of the Company's transactions are undertaken in \$, and consequently are naturally hedged.

Key performance indicators

The principal key performance indicator used by management to monitor the performance of the Company is the return on the Company's investments. During the year, the Company recognised dividend income of \$1,760,000 (2024: \$37,550,000) from its Subsidiaries.

Events after the end of the year

There have been no significant events affecting the Company since the year end.

Highclere Asset Management Ireland Designated Activity Company

Directors' report for the year ended 31 December 2025

Political donations and expenditure

The Company made no political donations or incurred any political expenditure during the year (2024: \$Nil).

Results and dividends

The profit for the year ended 31 December 2025 of \$1,730,106 (2024: \$3,903,544) is set out in the Statement of comprehensive income.

The Directors recommended and paid a dividend of \$890,000 during the year (2024: \$37,130,000).

Directors and Secretary and their interests

The Directors and Secretary who held office at any time during the year are listed in the Company Information. Unless indicated otherwise, they served for the entire period. In accordance with the Company Constitution, the Directors are not required to retire by rotation.

In accordance with Section 260 of the Companies Act 2014, the Directors and Secretary who held office at 31 December 2025 had no interests in the shares of the Company, or the Group to disclose. No Director has or has had any interest in any transaction with the Company or other Group companies which is or was unusual in its nature or conditions or significant to the business of the Company or the Group during the year.

Accounting records

The Directors are responsible for ensuring that adequate accounting records, as outlined in Sections 281 to 285 of the Companies Act 2014, are kept by the Company. To achieve this, the Directors have appointed professionally qualified accountants who report to the board and ensure that the requirements of Sections 281 to 285 of the Companies Act 2014 are complied with.

The books and accounting records are maintained at Falko Regional Aircraft Limited, 1 Bishop Square, Hatfield, Hertfordshire AL10 9NE, United Kingdom. A copy of these books and accounting records is available at the Company's registered office at 32 Molesworth Street, Dublin 2, Ireland, to comply with Section 283(2) of the Companies Act 2014.

Going concern

The financial statements have been prepared on a going concern basis. The Directors have considered the factors that impact the Company's future development, performance, cashflows and financial position in forming their opinion on the going concern basis. While acknowledging that the Company recognised retained deficit of \$32,411,779 as at 31 December 2025 (2024: \$33,251,885), the Company has a strong net asset position of \$56,180,784 as at 31 December 2025 (2024: \$55,340,678). The Directors have reached the conclusion that the Company has adequate resources to continue to operate and meet their obligations as they fall due for the foreseeable future, and for at least 12 months from the date of approval of these financial statements. The Directors are satisfied with the Company's ability to continue as a going concern.

Highclere Asset Management Ireland Designated Activity Company

**Directors' report
for the year ended 31 December 2025**

Disclosure of information to the auditors

The Directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as they are aware, that:

- there is no relevant audit information of which the company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as Directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

The auditors, Deloitte Ireland LLP, have indicated their willingness to continue in office under Section 383(2) of the Companies Act 2014.

This report was approved by the board and signed on its behalf:



Robert Morgan
Director



Darragh Wynne
Director

Date: 26 March 2026

Highclere Asset Management Ireland Designated Activity Company

Directors' responsibilities statement for the year ended 31 December 2025

The Directors are responsible for preparing the financial statements in accordance with applicable law and Generally Accepted Accounting Practice in Ireland including the accounting standards issued by the Financial Reporting Council.

Irish Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with Companies Act 2014 and FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Under company law the Directors must not approve the financial statements unless they satisfied that they give a true and fair view of the state of affairs of the assets, liabilities and financial position of the Company and of the profit or loss of the Company for that financial period and otherwise comply with the Companies Act 2014.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit and loss of the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements and director's report comply with the Companies Act 2014 and enable the financial statements to be readily and properly audited. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Of behalf of the board



Robert Morgan
Director



Darragh Wynne
Director

Date: 26 March 2026

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HIGHCLERE ASSET MANAGEMENT IRELAND DESIGNATED ACTIVITY COMPANY

Report on the audit of the financial statements

Opinion on the financial statements of Highclere Asset Management Ireland Designated Activity Company ("the company")

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2025 and of the profit for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, with the requirements of the Companies Act 2014.

The financial statements we have audited comprise:

- the Statement of Comprehensive Income;
- the Statement of Financial Position;
- the Statement of Changes in Equity; and
- the related notes 1 to 17, including a summary of significant accounting policies as set out in note 2.

The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council ("the relevant financial reporting framework").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described below in the "*Auditor's responsibilities for the audit of the financial statements*" section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Directors' Report and Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Directors' Report and Financial Statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HIGHCLERE ASSET MANAGEMENT IRELAND DESIGNATED ACTIVITY COMPANY

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on IAASA's website at: <https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements>. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the directors' report is consistent with the financial statements.
- In our opinion, those parts of the directors' report specified for our review, which does not include sustainability reporting when required by Part 28 of the Companies Act 2014, have been prepared in accordance with the Companies Act 2014.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

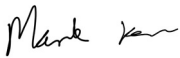
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
HIGHCLERE ASSET MANAGEMENT IRELAND DESIGNATED ACTIVITY COMPANY**

Use of our report

This report is made solely to the company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Mark Kerr
For and on behalf of Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House, 29 Earlsfort Terrace, Dublin 2

27 March 2026

Highclere Asset Management Ireland Designated Activity Company

**Statement of comprehensive income
for the year ended 31 December 2025**

	Note	2025 \$	2024 \$
Administrative expenses	4	(31,334)	(27,442)
Dividend income	7	1,760,000	37,550,000
Impairment on investments	7	-	(33,619,014)
Interest receivable and similar income		1,440	-
Profit before tax		<u>1,730,106</u>	<u>3,903,544</u>
Tax on profit	6	-	-
Profit for the year		<u><u>1,730,106</u></u>	<u><u>3,903,544</u></u>

All amounts are related to continuing operations.

There were no recognised gains and losses for 2025 or 2024 other than those included in the Statement of comprehensive income.

The notes on pages 12 to 20 form part of these financial statements.

Highclere Asset Management Ireland Designated Activity Company
Registered number: 738076

Statement of financial position
as at 31 December 2025

		2025		2024
		\$		\$
Non current assets				
Investments in subsidiaries	7	54,973,548		54,973,548
Current assets				
Trade and other receivables	8	151,179		151,179
Cash and cash equivalents	9	1,199,980		356,375
		1,351,159		507,554
Creditors: amounts falling due within one year	10	(143,923)		(140,424)
Net current assets		1,207,236		367,130
Net assets		56,180,784		55,340,678
Equity				
Called up share capital presented as equity	11	20,582		20,582
Share premium account	12	88,571,981		88,571,981
Retained deficit	12	(32,411,779)		(33,251,885)
Total equity		56,180,784		55,340,678

The financial statements were approved and authorised for issue by the board and were signed on its behalf:



Robert Morgan
Director



Darragh Wynne
Director

Date: 26 March 2026

The notes on pages 12 on to 20 form part of these financial statements.

Highclere Asset Management Ireland Designated Activity Company

**Statement of changes in equity
For The Year Ended 31 December 2025**

	Called up share capital presented as equity \$	Share premium account \$	Retained deficit \$	Total \$
At 1 January 2024	16,975	73,075,587	(25,429)	73,067,133
Profit for the year	-	-	3,903,544	3,903,544
Shares issued	3,607	15,496,394	-	15,500,001
Dividends declared and paid	-	-	(37,130,000)	(37,130,000)
At 01 January 2025	20,582	88,571,981	(33,251,885)	55,340,678
Profit for the year	-	-	1,730,106	1,730,106
Dividends declared and paid	-	-	(890,000)	(890,000)
At 31 December 2025	20,582	88,571,981	(32,411,779)	56,180,784

The notes on pages 12 to 20 form part of these financial statements.

Highclere Asset Management Ireland Designated Activity Company

1 General information

Highclere Asset Management Ireland Designated Activity Company (the "Company") is a company limited by shares and was incorporated under the laws of Ireland on 4 April 2023. The Company's principal activity is that of a holding company. The Company's registered office is at 32 Molesworth Street, Dublin 2, Ireland. As at 31 December 2025, Drake Asset Management Jersey 3 Limited (the "Parent Company"), a company registered in Ireland, owned 100% of the outstanding shares of the Company.

Falko Regional Aircraft Opportunities Fund II L.P., a limited partnership incorporated in Jersey, is the ultimate controlling parent of the Company.

The Company is a tax resident in Ireland.

2 Material accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all periods presented, unless otherwise stated.

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historic cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' ("FRS 102") and the Companies Act 2014.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

The functional and presentation currency of these financial statements is United States Dollars ("\$"), which is the principal operating currency of the Company and of the aviation industry.

2.2 Disclosure exemptions for qualifying entities under FRS 102

The Company has taken advantage of the following disclosure exemptions in preparing its financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

- the requirements of Section 7 Statement of Cash Flows and paragraph 3.17(d).
- the requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(A) and 12.29A as equivalent information is included in the consolidated financial statements of the Group in which the Company is consolidated.
- the requirement of paragraphs 33.7 and 33.1A.

The information is included in the consolidated financial statements of the Parent Company as at 31 December 2025 and these financial statements are available to the public and may be obtained from the its registered address, which is IFC5, St. Helier, Jersey, JE1 1ST, Channel Islands.

2 Material accounting policies (continued)

2.3 Going concern

The financial statements have been prepared on a going concern basis. The Directors have considered the factors that impact the Company's future development, performance, cashflows and financial position in forming their opinion on the going concern basis. While acknowledging that the Company recognised retained deficit of \$32,411,779 as at 31 December 2025 (2024: \$33,251,885), the Company has a strong net asset position of \$56,180,784 as at 31 December 2025 (2024: \$55,340,678). The Directors have reached the conclusion that the Company has adequate resources to continue to operate and meet their obligations as they fall due for the foreseeable future, and for at least 12 months from the date of approval of these financial statements. The Directors are satisfied with the Company's ability to continue as a going concern.

2.4 Exemption from consolidated accounts

The Company is a that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of a non-EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 300 of the Companies Act 2014. The results of the Company and its subsidiaries are included in the consolidated financial statements of the Parent Company as at 31 December 2025 and these financial statements are publicly available.

2.5 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is \$.

Transaction and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end, foreign currency monetary items are translated using the closing rate, non-monetary items measured on a historical cost basis are translated using the exchange rate at the date of the transaction, and non-monetary items measured at fair value in a foreign currency are translated using the rate at the date when the fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in Statement of comprehensive income within 'other operating income'.

2.6 Administrative expenses

The administrative expenses of the Company are recognised in the financial statements on an accrual basis.

2 Material accounting policies (continued)

2.7 Interest income

Interest income is recognised in the Statement of comprehensive income on an accrual basis by reference to the principal outstanding and at the effective interest rate applicable.

2.8 Taxation

The tax shown in the Statement of comprehensive income comprises current and deferred tax.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the statement of financial position date.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

2.9 Investments

A subsidiary is an entity that is controlled by the parent. Control is established when the Company has the power to govern the operating and financial policies of an entity to obtain benefits from its activities. In assessing control, the Company takes into consideration potential voting rights that are currently exercisable.

Investments in subsidiaries are measured at cost less accumulated impairment.

2.10 Trade and other receivables

Trade and other receivables are amounts due from customers for services performed in the ordinary course of business.

Trade and other receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade and other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

2.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits with financial institutions repayable without penalty on notice of not more than 24 hours, other highly liquid investments that mature in no more than three months from the date of acquisition and bank overdrafts. Bank overdrafts, where applicable, are shown within 'Creditors: amounts due within one year'.

2 Material accounting policies (continued)

2.12 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade and other payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

2.13 Equity

Ordinary shares are classified as equity. Share premium account is recognised if the Company issues shares above their nominal value. The excess amount is credited to a "Share premium account", which is part of equity but not distributable as dividends.

Dividends are recognised in the financial year in which they are approved.

2.14 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value and are subsequently measured at amortised cost using the effective interest method, with interest recognised on an effective yield basis.

Financial assets are assessed for indicators of impairment at each reporting date, and if there is evidence of impairment, an impairment loss is recognised in the Statement of comprehensive income.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

2.15 Impairment of financial assets

The Company's principal financial assets subject to impairment are trade and other receivables and cash and cash equivalents. The Company applies an incurred loss model to measuring impairment, which requires recognizing an impairment loss only when there is objective evidence of impairment resulting from one or more events that have occurred after the initial recognition of the asset, and which impacts the estimated future cash flows of the financial asset.

3 Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's material accounting policies, which are described in note 2, the Directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas where accounting judgements and estimation uncertainty have the most significant effect on the amounts recognised in the financial statements are described below:

Impairment of investments in subsidiaries

The Directors ensure that the Company's investments are not carried at more than their recoverable amount which is determined to be fair value. Fair value is calculated based on the estimated future cash flows the Company expects to derive from the subsidiaries. The calculation will take into account all fees that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. Key input assumptions including future lease rates, maintenance cash flows, discount rates, aircraft holding periods and residual values are reviewed and revised as necessary.

4 Administrative expenses

	2025	2024
	\$	\$
Professional fees	31,379	26,051
Difference on foreign exchange	(974)	653
Others	929	738
	<u>31,334</u>	<u>27,442</u>

There were no employees in the year (2024: nil) as all administrative activities of the Company are outsourced to Falko Regional Aircraft Limited, a third party.

5 Statutory information

	2025	2024
	\$	\$
Audit of the financial statements	9,983	8,963
Taxation compliance services	3,455	3,167
Directors' remuneration	<u>12,042</u>	<u>12,031</u>

Directors' remuneration is in the form of a corporate administration fee paid to a specialist service provider.

There are no other assurance services or any non audit services provided during the year.

Highclere Asset Management Ireland Designated Activity Company

6 Taxation

	2025	2024
	\$	\$
Tax on profit	-	-

The tax assessed for the year is lower than (2024 - lower than) the profit before tax multiplied by the standard rate of corporation tax in Ireland of 12.5% (2024 - 12.5%). The differences are explained below:

	2025	2024
	\$	\$
Reconciliation of tax credit		
Profit before tax	1,730,106	3,903,544
Profit before tax multiplied by the standard rate of corporation tax of 12.50% (2024 - 12.50%)	216,263	487,943
Effects of:		
Franked investment income	(220,000)	(4,693,750)
Unrelieved tax losses carried forward	3,737	4,205,807
Total tax charge for the year	-	-

The tax charge in future period will be affected by any changes to the corporation tax rates in force in Ireland.

7 Investments in subsidiaries

	2025	2024
	\$	\$
At 01 January	54,973,548	73,092,561
Additions	-	15,500,001
Impairment	-	(33,619,014)
At 31 December	54,973,548	54,973,548

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

			Holding	Holding
Name	Incorporation	Class of shares	2025	2024
			%	%
Highclere Jet Leasing 1 Designated Activity Company ("DAC")	Ireland	Ordinary	100	100
Highclere Jet Leasing 3 DAC	Ireland	Ordinary	100	100
Highclere Jet Leasing 4 DAC	Ireland	Ordinary	100	100
Highclere Jet Leasing 6 DAC	Ireland	Ordinary	100	100
Highclere Jet Leasing 13 DAC	Ireland	Ordinary	100	100
Drake Jet Leasing 9 DAC	Ireland	Ordinary	100	100

Highclere Asset Management Ireland Designated Activity Company

7 Investments in subsidiaries (continued)

The registered office of these subsidiaries is at 32 Molesworth Street, Dublin 2, Ireland.

During the year, the Company recognised dividend income of \$1,760,000 (2024: \$37,550,000) from its Subsidiaries.

During the year, an impairment analysis was carried out on investments at costs, held in the Company, and no impairment provision (2024: \$33,619,014) on investments were recognized.

8 Trade and other receivables

	2025	2024
	\$	\$
Amounts owed by group undertakings	151,179	151,179

9 Cash and cash equivalents

	2025	2024
	\$	\$
Cash and cash equivalents	1,199,980	356,375

10 Creditors: amounts falling due within one year

	2025	2024
	\$	\$
Amounts owed to group undertakings	128,531	128,531
Accruals	15,392	11,893
	<u>143,923</u>	<u>140,424</u>

Amounts owed to group undertakings are unsecured, interest-free and payable on demand.

Accruals are paid at various dates in the three months following the financial year end in accordance with suppliers' usual and customary credit terms.

11 Share capital

	2025		2024	
Allotted and fully paid	Number	2025	Number	2024
		\$		\$
Ordinary shares of €1 each	18,442	20,582	18,442	20,582

The \$ equivalent of the allotted, called-up and fully paid shares is \$20,582 (2024: \$20,582).

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12 Reserves

Share premium account

In 2023, 15,222 shares were issued with a share premium of €65,394,709 (\$73,075,587). In 2024, additional 3,220 shares were issued with a share premium of €13,836,066 (\$15,496,394). As at 31 December 2025, the Company recognised total share premium of \$88,571,981 (2024: \$88,571,981).

Retained deficit

	2025	2024
	\$	\$
At the beginning of year	(33,251,885)	(25,429)
Profit for the year	1,730,106	3,903,544
Dividends	(890,000)	(37,130,000)
At the end of year	<u>(32,411,779)</u>	<u>(33,251,885)</u>

13 Commitments and contingent liabilities

The Company has no capital commitments and contingent liabilities at 31 December 2025 (2024: \$nil).

14 Related party transactions

The Company is availing of the exemption available under FRS 102 section 33 from disclosing transactions entered between two or more members under the Parent Company, provided that any subsidiary party to the transactions is wholly owned by such a member.

There are no related party transactions needed to be disclosed.

15 Events after the end of the year

There have been no significant events affecting the Company since the year end.

16 Ultimate holding company and controlling party

The Company is a wholly subsidiary of Drake Asset Management Jersey 3 Limited which is incorporated in Jersey, Channel Islands.

The Company's ultimate parent and controlling party is Falko Regional Aircraft Opportunities Fund II L.P., a limited partnership in Jersey, Channel Islands.

17 Approval of the financial statements

The Board of Directors approved these financial statements for issue on 26 March 2026.